The Church of Jesus Christ of Latter-Day Saints Trust Board and Group

Financial Statements
For the Year Ended 31 December 2008

The Church of Jesus Christ of Latter-Day Saints Trust Board and Group

Table of Contents

Income Statement	1
Balance Sheet	2
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS TRUST BOARD AND GROUP

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Income					
Revenue	**2**	28,617	29,604	28,581	29,604
Other Revenue	**3**	39,532	45,422	39,966	45,695
Other gains	**3**	3,860	903	3,860	903
Total income		72,009	75,929	72,407	76,202
Expenses					
Employee benefit expenses	**4**	31,648	19,201	31,936	19,377
Depreciation	**10**	5,987	8,640	5,987	8,640
Other expenses	**5**	40,749	42,769	40,860	42,866
Total operating expenses		78,384	70,610	78,783	70,883
Net Surplus (Deficit)		(6,375)	5,319	(6,376)	5,319

The accompanying notes form part of those financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Assets					
Current Assets					
Cash & cash equivalents	**6**	6,028	4,876	6,034	4,882
Trade & other receivables	**7**	2,026	1,550	2,025	1,551
Inventories	**8**	205	219	205	219
Other financial assets	**9**	732	138	734	138
Total current assets		8,991	6,783	8,998	6,790
Non-current assets					
Property, plant and equipment	**10**	159,936	153,862	159,936	153,862
Total assets		168,927	160,645	168,934	160,652
Liabilities					
Current Liabilities					
Trade and other payables	**11**	5,665	4,368	5,666	4,368
Employee benefit liabilities	**12 & 16**	3,941	1,409	3,941	1,409
Total current liabilities		9,606	5,777	9,607	5,777

The accompanying notes form part of those financial statements.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS TRUST BOARD AND GROUP

BALANCE SHEET (continued)
AS AT 31 DECEMBER 2008

	Note	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Non-current liabilities					
Employee benefit liabilities	**12 & 16**	15,306	4,478	15,306	4,478
Total non-current liabilities		15,306	4,478	15,306	4,478
Total liabilities		24,912	10,255	24,913	10,255
Equity					
Retained earnings	**13**	141,699	147,943	141,705	147,950
Other reserves	**13**	2,316	2,447	2,316	2,447
Total equity		144,015	150,390	144,021	150,397
Total liabilities and equity		168,927	160,645	168,934	160,652

Date: 25 June 2008

/s/ Clint Gurney
Clint Gurney
Director of Temporal Affairs

/s/ Wati Smiler
Wati Smiler
Trustee

/s/ Wayne Pemberton
Wayne Pemberton
Trustee

The accompanying notes form part of those financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Balance at 1 January		150,390	145,071	150,397	145,078
Net income/(expense) recognised directly in equity		-	-	-	-
Surplus/(deficit) for the year		(6,375)	5,319	(6,376)	5,319
Total recognised income/ (expense) for the year ended 31 December		(6,375)	5,319	(6,376)	5,319
Balance at 31 December		144,015	150,390	144,021	150,397

The accompanying notes form part of those financial statements.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS TRUST BOARD AND GROUP

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Cash Flows from Operating Activities	**14**				
Receipt from the Church Head Office in USA		34,512	39,016	34,902	39,271
Receipt from members		30,743	34,492	30,752	34,511
Receipts from sundry income		1,530	892	1,528	892
Interest received		279	206	279	206
Dividends received		15	18	15	18
Payments to suppliers and employees		(57,726)	(61,832)	(58,123)	(62,106)
Interest paid		-	-	-	-
Net cash flows from operating activities		9,353	12,792	9,353	12,792
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment		4,417	1,153	4,417	1,153
Purchase of property, plant and equipment		(12,618)	(14,509)	(12,618)	(14,509)
Net cash flows from investing activities		(8,201)	(13,356)	(8,201)	(13,356)
Net cash flows from financing activities		-	-	-	-
Net increase/ (decrease) in cash held		1,152	(564)	1,152	(564)
Cash at 1 January		4,876	5,440	4,882	5,446
Cash at 31 December	**6**	6,028	4,876	6,034	4,882

The accompanying notes form part of those financial statements.

1 Statement of accounting policies

Reporting Entity

The Church of Jesus Christ of Latter-Day Saints Trust Board (the "Trust") was created pursuant to a trust deed dated the 9th May 1921 and was incorporated by private act of the New Zealand Parliament entitled the "Church of Jesus Christ of Latter-day Saints Empowering" Act (1957/1). It has subsequently been administered in accordance with the Charitable Trusts Act 1957 as if it had been incorporated under that later Act. The Trust is a charitable organisation and therefore not subject to income taxation.

The primary objective of the Trust is to advance the work of The Church of Jesus Christ of Latter-day Saints (the "Church") in New Zealand by providing it with all temporal support that is required in that effort. As the Church is a religious organisation, the Trust's purposes include the provision of temporal support to enable missionary work, establishing and maintaining bank accounts and buildings for congregations of the Church throughout New Zealand and the provision of curriculum and other goods and services to meet the needs of Sunday Schools and the Church's other auxiliary organisations. None of the Trust's work is carried on for pecuniary profit. Accordingly, the Group has designated the Trust and Group entities as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The registered address of the Trust is 11 Huron Street, Takapuna, Auckland.

Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial.

The financial statements have been prepared on a historical cost basis, except for financial assets which are stated at their fair values.

The financial statements comprise the separate financial statements of the parent entity and the consolidated financial statements of the Group and are presented in New Zealand dollars. The functional currency of the Trust is New Zealand dollars.

Accounting Policies

There have been no changes to accounting policies during the year.

Judgment and Estimation Uncertainty

The preparation of financial statements of necessity involves judgment and estimation. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable. Actual results may differ from these estimates.

i. **Deseret Benefit Plan**
   Estimates have been used in the calculation of the Deseret Benefit Plan, Note 16.

Subsidiaries

The Trust consolidates its subsidiary in the group financial statements for all entities where the Trust has the capacity to control their financial and operating policies so as to obtain benefits from the activities of the entity.

Basis of consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intra-group balances, transactions, income and expenses are eliminated on consolidation.

Group financial statements consolidate the financial statements of the parent and the subsidiary it controls, using the purchase method. All transactions between the parent and the subsidiary are eliminated on consolidation. The Trust's investments in its subsidiaries are carried at cost, which is nil, in the Trust's own "parent entity" financial statements.

Consolidation includes: LDS Family Services New Zealand and The Church of Jesus Christ of Latter-Day Saints Trust Board.

LDS Family Services New Zealand is a 100% own subsidiary of the Trust board.

Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Revenue

Revenue is measured at the fair value of consideration received.

The Trust receives grants, which subsidises part of the Trust's costs in performing its services. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sales of goods are recognised when a product is sold to the customer.

Where physical assets are acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Trust are recognised as revenue when control over the asset is obtained.

Interest income is recognised using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised costs using the effective interest method, less any provision for impairment.

A provision for impairment or receivables is established when there is objective evidence the Trust will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of costs and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the First-in, First-out (FIFO) method.

The write down from cost to current replacement cost or net realizable value is recognised in the Income Statement.

Financial assets

The Trust classifies its financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Income Statement.

Purchases and sales of investments are recognised on trade-date, the date on which the Trust commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

The categories of financial assets are:

Financial assets at fair value through profit or loss.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognized in the Income Statement.

Loans and receivables.

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Income Statement. Loans and receivables are classified as "trade and other receivables" in the Balance Sheet.

Impairment of financial assets

At each balance sheet date the Trust assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Income Statement.

If the recoverable amount of an item of property, plant or equipment is less than its carrying amount, the item is written down to the recoverable amount. Because the assets are recorded at deemed cost, any write down is recognized as an expense in the Income Statement. An impairment write down is reversed (wholly or partially as appropriate) if there is change in the estimates or circumstances used to determine the amount of the write down. The reversal is recognised in the Income Statement.

Property, plant and equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions
The cost of an item of property, plant and equipment is recognised as an asset if, any only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Income Statement. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation
Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	30 to 40 years
Plant & equipment	3 to 10 years
Motor vehicles	3 years

After initial recognition, the Trust measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the Income Statement.

Employee benefits

Employee benefits that the Trust expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave and sick leave earned to, but not yet taken at, balance date.

Deseret Benefit Plan

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of New Zealand 10 year government bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to profit and loss in the year in which they occur.

Past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

2 Revenue

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Tithing	25,114	26,529	25,078	26,529
Other contributions	3,503	3,075	3,503	3,075
Total revenue	28,617	29,604	28,581	29,604

3 Other Revenue and Gains

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Other revenue				
Grant income	34,512	39,017	34,902	39,271
Income from subscription and distribution sales	2,101	3,243	2,145	3,262
Services income	500	712	500	712
Investment income	613	773	613	773
Interest income	279	206	279	206
Deseret Benefit Plan recovery	-	1,360	-	1,360
Other	1,527	111	1,527	111
Total other revenue	39,532	45,422	39,966	45,695
Other gains				
Gain on disposal of property, plant and equipment	3,860	903	3,860	903
Total other gains	3,860	903	3,860	903

4 Employee Benefit Expenses

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Salaries and wages	13,700	14,538	13,952	14,689
Deseret Benefit Plan expense	11,703	-	11,703	-
Redundancy expenses	2,369	1,318	2,369	1,318
Other employee benefit expenses	3,876	3,345	3,912	3,370
Total employee benefit expenses	31,648	19,201	31,936	19,377

5 Other Expenses

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Fees to principal auditor:				
Audit fees for financial statement audit	102	33	102	33
for other services	-	-	-	-
Donations	14,397	19,707	14,397	19,707
Inventories	2,136	3,627	2,136	3,627
Minimum lease payments under operating leases	1,787	1,647	1,787	1,647
Facility maintenance	3,657	3,499	3,657	3,499
Utility expense	1,705	1,634	1,705	1,634
Other operating expenses	16,965	12,622	17,076	12,719
Total other expenses	40,749	42,769	40,860	42,866

6 Cash and Cash Equivalents

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Cash at bank and in hand	4,751	3,674	4,757	3,680
Short term deposits maturing three months or less from date of acquisition	1,277	1,202	1,277	1,202
Total cash and cash equivalents	6,028	4,876	6,034	4,882

7 Trade and Other Receivables

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
GST receivable	2,026	1,550	2,025	1,551
Other receivables	428	425	428	425
Less provision for impairment of receivables	(428)	(425)	(428)	(425)
Total receivables	2,026	1,550	2,025	1,551
Opening Provision of impairment	(425)	(453)	(425)	(453)
Doubtful accounts collected	2	29	2	29
Less provision for impairment of Receivables	(5)	(1)	(5)	(1)
Ending Provision of impairment	(428)	(425)	(428)	(425)

8 Inventories

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Uniforms	175	191	175	191
School books and supplies	30	28	30	28
Total inventories	205	219	205	219

9 Other Financial Assets

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Security deposits	107	81	109	81
Other	625	57	625	57
Total other financial assets	732	138	734	138

10 Property, plant and equipment

2008 Group and Parent

	Cost / revaluation 1-Jan-08	Accumulated depreciation and impairment charges 1-Jan-08	Carrying amount 1-Jan-08	Current year additions	Current year disposals	Current year depreciation	Cost/ revaluation 31-Dec-08	Accumulated depreciation and impairment charges 31-Dec-08	Carrying amount 31-Dec-08
Land and improvements	51,525	(14,725)	36,800	3,547	(531)	(1,427)	54,541	(16,152)	38,389
Buildings and improvements	160,832	(47,842)	112,990	8,035	-	(3,127)	168,867	(50,969)	117,898
Furnishings and fixtures	10,885	(9,196)	1,689	186	-	(334)	11,071	(9,530)	1,541
Equipment	839	(184)	655	-	-	(33)	839	(217)	622
Vehicles	4,991	(3,263)	1,728	850	(26)	(1,066)	5,156	(3,670)	1,486
Total assets	229,072	(75,210)	153,862	12,618	(557)	(5,987)	240,474	(80,538)	159,936

2007 Group and Parent

	Cost / revaluation 1-Jan-07	Accumulated depreciation and impairment charges 1-Jan-07	Carrying amount 1-Jan-07	Current year additions	Current year disposals	Current year depreciation	Cost/ revaluation 31-Dec-07	Accumulated depreciation and impairment charges 31 Dec-07	Carrying amount 31 Dec-07
Land and improvements	50,863	(12,934)	37,929	867	(205)	(1,791)	51,525	(14,725)	36,800
Buildings and improvements	148,611	(42,767)	105,844	12,221	-	(5,075)	160,832	(47,842)	112,990
Furnishings and fixtures	10,776	(8,833)	1,943	109	-	(363)	10,885	(9,196)	1,689
Equipment	620	(145)	475	219	-	(39)	839	(184)	655
Vehicles	5,096	(3,044)	2,052	1,093	(45)	(1,372)	4,991	(3,263)	1,728
Total assets	215,966	(67,723)	148,243	14,509	(250)	(8,640)	229,072	(75,210)	153,862

11 Trade Payables and Other Payables

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Trade payables	85	142	85	142
Accrued expenses	1,352	1,224	1,352	1,224
Other liabilities	4,228	3,002	4,229	3,002
Total trade payables and other payables	5,665	4,368	5,666	4,368

12 Employee Benefit Liabilities

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Deseret Benefit Plan liability	15,306	3,603	15,306	3,603
Accrued redundancy expense	3,007	1,318	3,007	1,318
Accrued annual leave	886	951	886	951
Other payroll deductions	48	15	48	15
Total employee benefit liabilities	19,247	5,887	19,247	5,887
Comprising:				
Current	3,941	1,409	3,941	1,409
Non-current	15,306	4,478	15,306	4,478
Total employee benefit liabilities	19,247	5,887	19,247	5,887

13 Equity

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Equity				
Opening Retained Earnings	150,390	145,071	150,397	145,078
Surplus / (deficit) for the year	(6,375)	5,319	(6,376)	5,319
As at 31 December	144,015	150,390	144,021	150,397
Other Reserves				
Opening Other Reserves	2,447	2,027	2,447	2,027
Transferred from Retained Earnings	(131)	420	(131)	420
As at 31 December	2,316	2,447	2,316	2,447

Other reserves include:

Missionary funds
The missionary support fund represents donations from the members in New Zealand towards the costs of the Church's worldwide missionary fund program which is co-ordinated and administered by The Corporation of the President of The Church of Jesus Christ of Latter-day Saints. Funds authorised for specified missionaries serving in New Zealand are released evenly over their mission term of either 18 months or two years. Currently, donations received from members is not adequate to cover the expenses associated with missionaries serving in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil."

Book of Mormon fund
These funds are donated by the members towards the production and distribution costs of The Book of Mormon Another Testament of Jesus Christ. This expenses are recorded by The Church of Jesus Christ of Latter-day Saints in Salt Lake City.

Humanitarian Aid Fund
These funds are donated by the members to help fund the program of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints for aid throughout the world. Currently, donations received from members is not adequate to cover the expenses associated with aid received in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil."

Temple Funds
These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world.

14 Reconciliation of net surplus to net cash flow from operating activities

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Net surplus (deficit)	(6,375)	5,319	(6,376)	5,319
Add / (less) non-cash items:				
Depreciation	5,987	8,640	5,987	8,640
Write off of bad debts	-	-	-	-
Add / (less) items classified as investing or financing activities:				
(Gains) / losses on disposal of property, plant and equipment	(3,860)	(903)	(3,860)	(903)
Add / (less) movements in working capital items:				
Accounts receivable	(475)	(427)	(473)	(427)
Inventories	14	(29)	14	(29)
Other financial assets	(595)	23	(597)	23
Employee Benefits	14,235	493	14,235	493
Accounts payable	422	(324)	423	(324)
Net cash inflow / (outflow) from operating activities	9,353	12,792	9,353	12,792

15 Capital commitments and operating leases

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Capital commitments				
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment		936		936

Operating leases as lessee

The Trust leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Parent 2008 $'000	Parent 2007 $'000	Group 2008 $'000	Group 2007 $'000
Non-cancellable operating leases				
Not later than one year		47		47
Later than one year and not later than five years		8		8
Later than five years		-		-
Total non-cancellable operating leases		55		55

There are no minimum future sublease payments expected to be received under non-cancellable subleases at 2008 or 2007 balance dates.

Leases can be renewed at the Trust's option.

16 Deseret Benefit Plan

About the Plan

The Deseret Benefit Plan is a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. Usually a member may exchange up to 25% of their pension for a lump sum, although full commutation is allowed in some cases. The Plan is currently open to new members.

Members contribute at a rate of 4% of their salaries. They can also make additional voluntary contributions at their own discretion. Member voluntary contributions attract a subsidy of two thirds of the member's voluntary contribution amount, subject to a maximum of 2% of salary less contribution tax.

The Church's contributions are determined by the Church after considering the advice of the Plan's actuary. Based on the actuary's advice from the latest statutory valuation carried out as at 1 April 2006 the Church is currently contributing at a rate of 16.6% of members' salaries, including ESCT. In addition the Church reimburses the Plan for the pensions paid to the disability pensioners.

Data

The following membership information is extracted from Mercer's administration records. A summary of the membership data as at 31 March follows:

	Group and Parent 2008	Group and Parent 2007
Membership		
Disability Pensioners	7	7
Actives	166	181
Pensioners	87	83
Average Age		
Active members	48.6	48.0
Pensioners	73.0	72.5
Disability Pensioners	58.2	58.3
Average Salary of Active members	$70,715 pa	$66,200 pa
Average pension of Pensioners	$6,668 pa	$6,495 pa
Average pension of Disability Pensioners	$27,077 pa	$26,854 pa

Methodology

We have used membership information as at 31 March 2007 and 31 March 2008 as these are the annual review dates for the Plan. The benefit obligation at 31 December has been 'rolled forward' from the 31 March liability position.

The value of the Plan assets at 31 December has been based on the financial statements at 31 March and then adjusted for cash flows and an estimate of the investment return for the 9 months to 31 December.

We have assumed that all actuarial gains and losses are recognised immediately in the profit and loss statement.

Tax on the Plan's investment income has been allowed for by using a discount rate net of investment tax at 30%. ESCT has been allowed for by adjusting the net asset in the balance sheet and the pension expense for contributions tax at 33%.

Assumptions

- The discount rate is the annualised New Zealand Government 10 year bond rate adjusted for investment tax of 30%. We have used rates of 3.3% and 4.5% as at 31 December 2008 and 31 December 2007 respectively.
- We have used the expected return on the Plan's assets, net of tax and all expenses, of 5.2% pa as our assumption for the expected return on assets in future years.
- We have used the NZLT 2000-2002 mortality table, set back by 2 years, for member and pensioner mortality. This is unchanged from the 2007 disclosure and is consistent with the 2006 statutory valuation. No allowance has been made for future mortality improvements.
- We have used the NZLT 2000-2002 mortality table, rated up by 8 years, for disability pensioner mortality. This is same as at the most recent statutory valuation conducted as at 1 April 2006.
- The pension increase rate is 2.0% pa, which is 80% of the assumed rate of inflation.
- The salary inflation rate has been assumed to be 4.5% pa; this is unchanged from the 2006 statutory valuation.
- Retirement age is assumed to be 60 years.

- Members are assumed to commute 25% of their pension entitlement for a lump sum at retirement using current commutation factors.

Accounting Policy

Actuarial gains and losses are recognised in profit and loss in the year in which they occur.

Plan Information

Active members have Defined Benefit style benefits with a pension payable on retirement, although partial commutation is allowed. Members can also contribute to a subsidised voluntary accumulation section. In addition, the Plan has pensioner and disability pensioner members.

Reconciliation of the Present Value of the Defined Benefit Obligation

Financial year ending	**Group and Parent Actual 2008 $'000**	**Group and Parent Actual 2007 $'000**
Present value of defined benefit obligations at beginning of the year	**32,266**	**32,602**
(+) Current service cost [net of member contributions]	1,276	1,298
(+) Interest cost	1,436	1,315
(+) Contributions by Scheme participants	724	722
(+) Actuarial (gains)/losses	3,144	(1,993)
(-) Benefits paid	(2,733)	(1,678)
(-) Taxes & premiums paid	-	-
(+) Transfers in	-	-
(+) Past service cost	-	-
(+) Curtailments	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Present value of defined benefit obligations at end of the year	**36,113**	**32,266**

Reconciliation of the Fair Value of Plan Assets

Financial year ending	**Group and Parent Actual 2008 $'000**	**Group and Parent Actual 2007 $'000**
Fair value of Scheme assets at beginning of the year	**29,852**	**29,277**
(+) Expected return on assets	1,557	1,480
(+) Actuarial gains/(losses)	(4,555)	(1,559)
(+) Employer contributions [net of contributions tax]	1,013	1,610
(+) Contributions by Scheme participants	724	722
(-) Benefits paid	(2,733)	(1,678)
(-) Taxes & premiums paid	-	-
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Fair value of Scheme assets at end of the year	**25,858**	**29,852**

Reconciliation of the Assets and Liabilities Recognised in the Balance Sheet

As at	Group and Parent Actual 2008 $'000	Group and Parent Actual 2007 $'000
Defined Benefit Obligation	36,113	32,266
(-) Fair value of Scheme assets	25,858	29,852
Deficit/(surplus)	10,255	2,414
(-) Unrecognised past service cost	-	-
(-) Unrecognised net (gain)/loss	-	-
(+) Adjustment for limitation on net asset	-	-
Liability/(asset)	**10,255**	**2,414**
Contributions Tax	5,051	1,189
Liability/(asset) with Contributions Tax	**15,306**	**3,603**

Expense Recognised in Income Statement

Financial year ending	Group and Parent Actual 2008 $'000	Group and Parent Actual 2007 $'000
Service cost [net of member contributions]	1,276	1,298
Interest cost	1,436	1,315
Expected return on assets	(1,557)	(1,480)
Recognised Actuarial loss/(gain)	7,699	(434)
Past service cost	-	-
Movement in limitation on net asset	-	-
Effect of curtailments/settlements	-	-
Superannuation expense/(income)	**8,854**	**699**
Contributions tax	4,361	344
Superannuation expense/(income) plus Contributions Tax	**13,215**	**1,043**

Movement in the net liability recognised in the balance sheet

Financial year ending	Group and Parent Actual 2008 $'000	Group and Parent Actual 2007 $'000
Opening Liability/(asset) with Contributions Tax	**3,603**	**4,963**
Superannuation expense/(income)	13,215	1,043
Employer contributions including Contributions tax	(1,512)	(2,403)
Closing Liability/(asset) with Contributions Tax	**15,306**	**3,603**

Plan Assets

The percentage invested in each asset class at the balance sheet date:

	Group and Parent	Group and Parent
As at	**2008**	**2007**
NZ Shares	8%	9%
Global Shares	32%	35%
Global Fixed Interest	13%	15%
NZ Fixed Interest	40%	34%
Property	5%	6%
Cash	2%	1%
	100%	100%

Fair Value of Plan Assets

The fair value of Plan assets includes no amounts relating to:

- Any of the Employer's own financial instruments
- Any property occupied by, or other assets used by, the Employer.

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class. The returns used for each asset class are net of investment tax and all expenses.

Actual Return on Plan Assets

	Group and Parent	Group and Parent
	Actual	**Actual**
Financial year ending	**2008**	**2007**
	$'000	**$'000**
Actual return on Plan assets	(2,998)	(79)

Principal Actuarial Assumptions at the Balance Sheet Date

	2008	**2007**
Discount rate	3.30%	4.50%
Salary increase rate	4.50%	4.50%
Expected rate of return on plan assets, net of all expenses [start of period]	5.20%	5.00%

Historical Information

	Group and Parent	Group and Parent
	Actual	**Actual**
Financial year ending	**2008**	**2007**
	$'000	**$'000**
Present value of defined benefit obligation	36,113	32,266
Fair value of Scheme assets	25,858	29,852
(Surplus)/deficit in Scheme	10,255	2,414
Experience adjustments (gain)/loss - Scheme assets	4,555	1,559
Experience adjustments (gain)/loss - Scheme liabilities	(666)	(317)
Assumptions Change (gain)/loss - Scheme liabilities	3,810	(1,676)
Limitation on net asset (gain)/loss	-	-

Expected Contributions

Financial year ending	**2009**
	$'000
Expected employer contributions net of contributions tax	1,577

17 Commitments and Contingent Liabilities

There are no contingent liabilities.

The Church has a commitment with the Bank of New Zealand in the amount of $514,400 as security against payroll and other items.

18 Related Parties

The Trust receives grants from the Church Head Office in Salt Lake City, USA, which subsidises part of the Trust's costs in performing its services. These amounts are recorded as grant income and is reported within the category of other revenue in the Income Statement. Grant income totaled $34.9 million during the year ended December 31, 2008 and $39.3 million during the year ended December 31, 2007.

The Trust also purchases items from the Church Head Office for distribution throughout New Zealand and the Pacific Islands. These amounts are recorded as grant expense and is reported within donations in the other expense category in the Income Statement. These amounts totaled $14.4 million during the year ended 31 December 2008 and $19.7 million during the year ended 31 December 2007.